

## Financial Policy – Fraud and Corruption

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ECHR    Potential Equality Impact Assessment: High

### 1.    **About This Policy**

- 1.1    This policy, in conjunction with the Police and Crime Commissioner for Hampshire's Financial Regulations, outlines the Constabulary's approach to fraud and corruption.

### 2.    **General Principles**

- 2.1    Leading by example, Hampshire Constabulary will:
- apply appropriate measures to minimise the risk of fraud;
  - follow formal procedures in the investigation of fraud when it is suspected;
  - provide appropriate mechanisms for employees and others to voice their genuine concerns and protect those who do so;
  - deter employees from making malicious or unfounded accusations;
  - have no hesitation in referring cases of suspected financial irregularity to the Chief Constable's Chief Financial Officer (CC's CFO) and the Professional Standards Department;
  - work closely with appropriate external agencies to combat fraud;
  - support national and local initiatives against fraud.

### 3.    **Statement of Policy**

- 3.1    Whilst Hampshire Constabulary acknowledges that the vast majority of its officers, staff, members of the Special Constabulary, volunteers and temporary employees are entirely honest and trustworthy and carry out their duties with total integrity, there will be a small minority who could be corrupt and act fraudulently.

This policy also applies to consultants, contractors, suppliers, outside agencies and / or any other parties with a business relationship with Hampshire Constabulary.

The Constabulary makes the unequivocal statement that it has a zero tolerance policy with fraud or corruption and that all offenders will be prosecuted.

#### 3.2    **Measures to Minimise the Risk of Fraud.**

In order to maintain the Constabulary's high standards, procedures and controls have been established to provide an

environment which will minimise the opportunity for fraud. It is the responsibility of the Chief Officers Group and all managers to operate internal systems to ensure that high standards are applied and brought to the attention of all staff. Financial Regulations state the procedures that are to be operated through out the Constabulary to ensure:

- an adequate separation of duties (more than one employee is involved in key tasks);
- proper authorisation procedures for the approval of transactions;
- independent monitoring and checking of data and documentation.

Checking of adherence with Financial Regulations is provided by the Finance Compliance Team. Additionally, Hampshire Constabulary has a rigorous audit process, operated by internal and external auditors, which undertakes a rolling programme of checks to detect, deter and prevent fraud and corruption.

Pro-active work on the Constabulary is also undertaken by the Anti-Corruption Unit which is a part of the Professional Standards Department.

### **3.3 Procedure when a Fraud is Suspected.**

Hampshire Constabulary requires suspected irregularities to be referred to the CC's CFO.

The normal sequence of events, should an irregularity be suspected, will be as follows:

- If employees suspect an irregularity has occurred, or is likely to occur, they should normally report this to their line manager who will in turn inform the CC's CFO. If the concerns relate to that particular line manager the employee should report the occurrence direct to the CC's CFO and the Anti-Corruption Unit.
- Should preliminary investigations suggest the suspicion is reasonable, the Police and Crime Commissioner for Hampshire's Chief Financial Officer should be informed without delay.
- If the suspicions stem from an audit the recipient of such information is to immediately advise the CC's CFO.

## **4. Mechanisms for Employees to Voice Concerns**

- 4.1** The Professional Standards Department have published a Confidential Reporting (Whistle Blower) Procedure, Force Procedure 02103, which advises how employees can confidentially report concerns. Such concerns include possible fraud and corruption.

## **5. Implications of the Policy**

The policy sets out the Constabulary's stance on fraud and corruption.

### **5.1 Awareness**

All personnel should be made aware of this policy on induction to the Constabulary. Training and advice can be provided by the Finance Compliance Team, Corporate Finance Department.

### **5.2 Bureaucracy**

The policy and related guidance exists to protect the Constabulary and personnel working for it. Clear principles are set out so that all personnel are aware of their responsibilities whilst minimising bureaucracy.

### **5.3 Risks**

Potential risks are failure to act when fraud and corruption are suspected.

Promotion of the policy and its principles is through Corporate Finance, Professional Standards Department and with Internal and External Auditors. Failure to adhere to the policy could result in losses to the Constabulary and an adverse impact on the public perception of the Constabulary.

## **6. Monitoring / Evaluation**

**6.1** Corporate Finance Department and Professional Standards Department will monitor the effectiveness of the policy.

## **7. Review**

**7.1** The policy will be reviewed by the CC's CFO on an annual basis.

## **8. Related Policies, Procedures and Information Sources**

### **8.1 The following are related:**

- Financial Regulations;
- Professional Standards Procedure 02013 – Confidential Reporting Procedure;
- Professional Standards Procedure 02118 – Gifts, Gratuities and Hospitality;
- Bi-annual National Fraud Initiative Report;
- Equality Impact Assessment.